

Testimony to the House Judiciary Committee

in support of House Bill 4577 – the Medicaid False Claims Act

September 14, 2005

Chairman Van Regenmorter and members of the committee, my name is Jackie Doig and I am a staff attorney with the Center for Civil Justice (CCJ), a non-profit law firm representing low income clients in a 14-county region of mid-Michigan and the Thumb, including the urban areas of Saginaw, Flint, and Bay City, as well as surrounding rural areas such as Isabella and Midland counties.

A significant part of our work involves access to health care for low income individuals, with an emphasis on accessing care under the Medicaid program. In addition to our direct legal representation of low income individuals and families, CCJ meets regularly and works closely with private, non-profit human services providers throughout our service area, including faith-based organizations, non-profit health clinics, and the myriad of agencies that attempt to fill the gaps when low income individuals are uninsured or lack the health care coverage that they need to access necessary medical care. We also receive a grant from the Greater Flint Community Foundation to provide intensive advocacy for low income clients, to increase access to governmental health insurance programs in Genesee County.

I am here today to express CCJ's strong support for efforts to root out provider fraud as a means of controlling Medicaid costs. On a daily basis, I see Michigan's uninsured or underinsured citizens who are living at or near the poverty level because they have disabilities, or work at low wage jobs that do not provide affordable health coverage, or are elderly. Medicaid is critically important for these individuals, who desperately need coverage to assure their access to cost effective health care.

CENTER FOR CIVIL JUSTICE

436 South Saginaw Street, Suite 504

Flint, Michigan 48502

Voice: (810) 238-8053 Fax: (810) 244-5550

320 South Washington, 2nd Floor

Saginaw, Michigan 48607

Voice: (989) 755-3120 Fax: (989) 755-3558

Fighting poverty through advocacy, education, and empowerment

Therefore, it is critically important for us to ensure the continued viability of the Medicaid program. Identifying provider fraud and recovering funds unlawfully obtained by dishonest providers is one way to accomplish that goal.

I understand that some provider fraud is very sophisticated and most likely to be identified by a whistleblower employed by the provider. However, sometimes the individuals in the best position to catch provider fraud are consumers – the Medicaid recipients themselves, or their authorized representatives. I understand that in the Medicare program, some of the most successful actions against unscrupulous providers were spearheaded by recipients or their families, who realized that Medicare was being billed for services that were never provided.

Unlike the Medicare program, however, the Medicaid program does not regularly provide notice to recipients about the bills that are being paid on their behalf by the Medicaid program. All communications about billings and payments are exclusively between the provider and the Medical Services Administration -- or the provider and the Medicaid HMO, for recipients enrolled in managed care. While some recipients lack the knowledge, education, or time to closely track the services that are billed to, and paid by, Medicaid, others have the capacity – or have interested family members with the capacity – to monitor what is being paid by Medicaid and to identify provider fraud.

Accordingly, I would respectfully suggest that you consider working with your colleagues on the Appropriations Committee to explore the possibility of a pilot program in FY 2007 to study whether providing information to Medicaid consumers about the services being paid on their behalf by the Medicaid program helps to identify fraud or otherwise reduce Medicaid costs.

Thank you for the opportunity to testify. I would be glad to answer any questions you may have.